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At the law school, some minority students are admitted to meet percentage targets, while other applicants with higher grades and better scores are passed over. This means that students are being selected or rejected based primarily on the color of their skin. The motivation for such an admissions policy may be very good, but its result is discrimination, and that discrimination is wrong.

Some States are using innovative ways to diversify their student bodies. Recent history has proven that diversity can be achieved without using quotas. Systems in California and Florida and Texas have proven that by guaranteeing admissions to the top students from high schools throughout the State, including low-income neighborhoods, colleges can attain broad racial diversity. In these States, race-neutral admissions policies have resulted in levels of minority attendance for incoming students that are close to and in some instances slightly surpass those under the old race-based approach.

We should not be satisfied with the current numbers of minorities on Americans' college campuses. Much progress has been made. Much more is needed. University officials have the responsibility and the obligation to make a serious, effective effort to reach out to students from all walks of life without falling back on unconstitutional quotas. Schools should seek diversity by considering a broad range of factors in admissions, including a student's potential and life experiences.

Our Government must work to make college more affordable for students who come from economically disadvantaged homes. And because we're committed to racial justice, we must make sure that America's public schools offer a quality education to every child from every background, which is the central purpose of the education reforms I signed last year.

America's long experience with the segregation we have put behind us and the racial discrimination we still struggle to overcome requires a special effort to make real the promise of equal opportunity for all. My administration will continue to actively promote diversity and opportunity in every way that the law permits.

Thank you very much.

NOTE: The President spoke at 4:30 p.m. in the Roosevelt Room at the White House. In his remarks, he referred to two related cases before the Supreme Court, *Barbara Grutter, Petitioner* v. *Lee Bollinger, et al* and *Jennifer Gratz and Patrick Hamacker, Petitioners* v. *Lee Bollinger, et al*. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Remarks at the University of Scranton in Scranton, Pennsylvania
January 16, 2003

Thank you all. Please be seated. Thanks for coming, and thanks for the warm welcome—inside. [*Laughter*] It's great to be back in Scranton, Pennsylvania, home of a lot of really fine people and a great university.

And I want to thank the University of Scranton for the hospitality. I want to thank Father Joe McShane for opening up this wonderful facility for me, and a lot of members of the congressional delegation have come and the great Secretary of Health and Human Services, Tommy Thompson.

I appreciate you all putting up with us and giving me a chance to talk about a significant problem which faces America.

And that problem is the fact that our medical liability system is broken, and therefore, a lot of Americans don't have access to affordable health care. And I'm here to declare in Pennsylvania, I intend to work with Congress to do something about it and fix the problem.

And we're going to need your help. Democracy can respond. People in Washington tend to respond when the people speak. [*Laughter*] So I'm going to spend a little time today encouraging you and those who may be watching on TV to start speaking on your behalf, to make sure that you can afford health care in America.

I'm traveling today with some mighty fine folks. One person decided to go back to Washington to represent Pennsylvania's interest on the Senate floor. He flew up with me. I talked to him about this issue, and that's Senator Arlen Specter. I want to thank him for his friendship. It looks like they're finally getting organized in the United States Senate. And they might start voting on the appropriations bill for '03, which would be helpful. [*Laughter*]

I also was traveling with Jim Greenwood. I'm honored that Jim was on the plane. Jim was a sponsor in the House of Representatives of the legislation which I'm going to talk to you about today and which I hope I'm able to sign into law this year, to help the doctors and patients in the State of Pennsylvania. I appreciate you.

Paul Kanjorski is here as well, the Member of the United States House of Representatives. Paul, I'm honored you are here. The issue we're talking today about is not a Republican issue. It's not a Democrat issue. It's an issue which affects people from all walks of life, and it's an issue which must be solved.

A man who used to represent Scranton is Don Sherwood—I appreciate Don and his friendship—thank you for coming. With us as well is two other fine members of the congressional delegation from Pennsylvania, Todd Platts and Pat Toomey, and I want to thank you guys for being here today.

I'm honored that the mayor of Scranton, Chris Doherty, is here with us. Mr. Mayor, thank you. He was standing out there in the cold, waiting for Air Force One. That's beyond the call of duty, I want you to know. [*Laughter*] But thank you, sir.

I appreciate so very much the attorney general of the State of Pennsylvania, my friend Mike Fisher. I'm glad you're here, Mike. John Perzel is here, from—representing the House of Delegates, along with the senators and members of the House from this part of Pennsylvania. I'm honored you guys are here. Thank you for coming. Thank you for your interest in this issue.

Today when I arrived, I met Ed Gilmartin. He's what we call a USA Freedom Corps greeter. He is a volunteer with the Goodwill Industries of Northeastern Pennsylvania. I want to thank Ed for coming. I want to thank him for working with Goodwill. He is a reminder that while one of us can't do everything to help heal the hurt of America, each of us can do something to help make somebody's life in your community a better place, and that, as we continue our struggle against people who are evil who would want to hurt America, that we can do so not only through the use of our great military, but we can do so by doing some good in our communities in order to fight evil. Each of us can do some good by loving a neighbor just like you'd like to be loved yourself.

See, we've got some big problems in this country. I'm here to talk about one problem, but we've got some others. One is, how best to secure the peace. And one way to secure the peace is never to forget what happened to us on September the 11th and hunt the killers down, one by one, and bring them to justice, which is what America is going to do.

We will continue to confront problems before they become acute. We understand that the world was changed on September

the 11th. Oceans no longer protect us from threats that may mass overseas. And that's why I've been clear about my desire to keep the peace by confronting Mr. Saddam Hussein. It's his choice to make. It's up to Mr. Saddam Hussein to do what the entire world has asked him to do. The world overwhelmingly, through the U.N. Security Council, said, "Mr. Saddam Hussein, disarm for the name of peace." It's his choice to make. So far, the evidence hasn't been very good that he is disarming, and time is running out. At some point in time, the United States' patience will run out. In the name of peace, if he does not disarm, I will lead a coalition of the willing to disarm Saddam Hussein. We will deal with those problems overseas, and we will deal with the problems we have at home as well.

We've got an economy that is not as strong as it should be, and therefore, I've proposed to Congress ways to strengthen the economy, starting with this principle: It is best to let Americans have more of their own money if you're worried about economic vitality.

If you want people to find work, if you're worried about somebody looking for a job, like I am, the best way to encourage economic growth is to let people have more of their own money. And one of the lessons that I keep trying to explain to Washington—and, of course, these Members don't need to hear it—is that the money we spend in Washington is not the Government's money; it's the people's money.

I look forward to working with Congress. I look forward to working with Congress to create an environment in which the small businesses grow to be big businesses, in which the entrepreneurial spirit is strong and, most importantly, in which people who are looking for a job can find work.

But the problem I want to talk today is the problem with our health care system. I hope you're as proud of our health care system as I am. I mean, we're great at what we do. We've got great doctors in America, incredibly skilled, well-trained, compassionate people who care deeply for their patients. We've got great nurses in America, people who love their patients. We've got fine hospitals, fine researchers. We're on the leading edge of technological change in this country. We make new discoveries all the time. We develop new cures, and therefore, we develop new hopes for people who are sick. We're good at what we do, and I'm proud of the health care system of America.

But we've got some problems. And one of my jobs is to talk plainly about the problems and encourage people to find solutions to the problems and then get them to act. We've got a problem because too many of our citizens go without health care. That's why I proposed refundable tax credits to empower people to be able to have the capacity to get into the marketplace to purchase health care.

We've got a lot of people who go to emergency rooms for primary care, which strains our emergency rooms. It makes it hard on the community hospitals. That's why I'm for community health centers, realistic, smart ways to make sure people can get primary health care who don't have it.

Our seniors need to have a reformed Medicare plan which includes prescription drugs. We've got a system that's stuck in the past. Medicare is stuck. Medicine has become modern, and Medicare hadn't. And it seems like to me a good place for Congress to start is to take a look at their own health care system. They've got choice in the system. Congressmen and Senators and their staffs can pick and choose the plan that meets them best. It seems to me a good principle for our seniors, to trust our seniors to make the right decisions for them.

And medical care is expensive. Out of $100 spent in this country, $11 goes to pay for health care. Costs are rising at the fastest rate in nearly a decade. I mean, that's a problem. Most costs in our economy are pretty well under control. Inflation

is low, but that's not the case in health care. And we need to do something about it, before people get hurt.

Health care costs rise for a lot of reasons. Research is costly. Technologies cost money, and they're expensive. And some of the costs are necessary, but there are some costs that are unnecessary as far as I'm concerned. And the problem of those unnecessary costs don't start in the waiting room or the operating room; they're in the courtroom. We're a litigious society; everybody is suing, it seems like. There are too many lawsuits in America, and there are too many lawsuits filed against doctors and hospitals without merit.

And one thing the American people must understand is, even though the lawsuits are junk lawsuits and they have no basis, they're still expensive. They're expensive to fight. It costs money to fight off a junk lawsuit. And oftentimes, in order to avoid litigation and oftentimes to cut their costs, docs and therefore the companies that insure them just settle. See, so even though there's no merit, in order just to get rid of the thing, they just say, "Okay, let's just pay you. We'll get you out of the way. Instead of maybe suffering the consequences of a lousy jury and a lousy verdict, just pay them off." That is expensive to the system when it happens time and time and time again, like it's happening in America today.

And what's happening is these rates for insurance are going out of sight. And doctors need insurance to practice. Today I met with a lot of great health-givers and healers, decent people, compassionate Americans who love their patients. These are docs—I met with some patients as well—talking about the effects of this litigious society we have. And I heard stories about people not being able to pay their premiums. See, that means that health care is no longer accessible to too many of our citizens. When a doc can't pay the premiums and therefore can't practice, somebody is going without health care. It strains the system.

So what happens is, doctors say, "Well, gosh, I can't afford it here in Pennsylvania. I'm moving. I'll just take my heart and my skills to another community where I can afford it." But when that happens, somebody hurts. Somebody doesn't have the care. Some mom fixing to have a baby wonders out loud—when she wonders out loud whether or not the doc is going to be there to deliver the baby, it's a—we heard a story, by the way, about that. It's a sad situation. There's a lot of uncertainty in our society. Lawsuits run up the costs for you, the patient. But they also create a sense of uncertainty in America for people who need the stability of good care.

I had a chance to, when I talked to the docs, to talk about people who literally had tears in their eyes when they described their situation. Debra DeAngelo and her husband are leaving Scranton to go to Hershey. They wanted to stay here in Scranton. They were raised in Scranton. I met one of Debra's patients who really needs her to be in Scranton. They chose so because they can get their insurance there, and they can't here.

This insurance issue is creating a problem in our communities all across America. People are having to move. People who don't want to move have to move in order to stay in business to be able to do their job.

Jack Brooks is a respected pathologist at the University of Pennsylvania Hospital. He was there today. He went to Buffalo. He moved back to his State, but he was turned down by three insurers when he came back to Pennsylvania. The fourth insurer's quote was just too high. He couldn't afford it. Jack Brooks has never had a claim filed against him. He's one of your leading docs here in the State of Pennsylvania. He's one of your best assets. He's never been to the courthouse. And yet, because the system is broken, he couldn't afford to be in Pennsylvania. Fortunately, he got some

insurance through a hospital. He couldn't do it on his own. You've got a problem here in this State.

Greg Przybylski was here. He's a brain doctor. He has been moving from Pennsylvania to Illinois to New Jersey because the costs were too high. He can't stay in business. He can't do what he was trained to do and loves to do, which is to treat patients. He talked about—when he was living in Chicago, he talked about a patient of his who had incredible complications. The guy couldn't find help in Pennsylvania, so the man drove all the way out to Chicago to be treated by Greg. That says a lot about Greg. It says a lot about his patients. And unfortunately it says something bad about the health care system, when liability costs are such that you can't get the kind of care that you need in Pennsylvania.

You're not alone, though. It's not just your State that's got a problem. We heard from an OB/GYN in the State of Florida about how she couldn't get insured. In Nevada, pregnant women sometimes have to leave the State to find a doctor. One woman called more than 50 local doctors and couldn't find one to serve her. So she's going to go to Utah to have her baby.

I was down in Mississippi recently to talk about this issue. There's a doc and his wife, who's also a doctor, who came from up north down to Mississippi in the Delta region of that State. And the Delta region has got a lot of people who hurt, a lot of people who are needy, a lot of people who need health care. And they went, not to build a giant portfolio of wealth; they went because they got great hearts. They heard a calling. They heard—he would have attributed it to the Almighty. Having watched him, I would have attributed it to the Almighty, too. He has got a fantastic heart to him. I could see that he was inspired. He told me he's leaving the Delta because the trial lawyers ran him out. He couldn't practice medicine without getting sued.

Something's wrong with the system. And a broken system like that, first and foremost, hurts the patients and the people of America. Twenty percent of hospitals nationwide have had to cut down on certain services, on delivering babies or neurosurgery or cardiovascular surgery or orthopedic surgery. That's a fact. So the problem is not only for Pennsylvania; it's a problem for our country.

And there's another cost driver. And if you're worried about getting sued all the time, then there is the natural tendency to practice what they call defensive medicine. In other words, you order tests that someone may not need, to protect yourself in a court of law. And that's costly, and that's one of the main reasons why costs are going up. These lawsuits have got a lot of effects on our country, and we've just got to understand that.

This is an incredibly important issue for States. I obviously hope the State of Pennsylvania is able to address it. That can happen in the statehouse. When I got to Washington, I said, "That's an important issue for the States." And then it didn't take me long to realize, this is an important issue for the Federal Government too, and I'll tell you why. The direct cost of malpractice insurance and the indirect cost from defensive medicine raise the Federal Government's health care cost by at least $28 billion a year. Malpractice, defensive practice of medicine affects Medicare, Medicaid, veterans' health, Government employee costs. It affects the Federal Government. Therefore, it is a Federal issue.

It is a national problem that needs a national solution. And here it is. First, let me just say this as clearly as I can: We want our judicial system to work. People who have got a claim, a legitimate claim, must have a hearing in our courts. Somebody who has suffered at the hand of a lousy doc must be protected. And they deserve a court that is uncluttered by frivolous and junk lawsuits. If they prove damages, they should be able to recover the

cost of their care and recovery and lost wages and economic losses for the rest of their life. That's fair. That is reasonable. And that is necessary for us to have confidence in the medical system and in the judicial system.

Yet, for the sake of affordable and accessible health care in America, we must have a limit on what they call non-economic damages. And I propose a cap of $250,000. Otherwise, if not, excessive jury awards, like those in Pennsylvania, and those I was just—one was just described to me—today a guy held up a full-page ad in your newspaper paid for by the excessive jury award. [*Laughter*] Excessive jury awards will continue to drive up insurance costs, will put good doctors out of business or run them out of your community, and will hurt communities like Scranton, Pennsylvania. That's a fact. And that's why we need a cap on non-economic damages, and that's why we need a cap on punitive damages as well.

As I mentioned to you—and it's important for our citizens to understand—it is the fear of unlimited non-economic damages and punitive damages that cause docs and the insurance carriers to unnecessarily settle these cases. See, you can pretty well blackmail a doctor into settlement if you continue to throw lawsuit after lawsuit, and the system looks like a giant lottery. [*Applause*] Thank you.

There needs to be other reforms as well. A lot of times, these lawyers will sue everybody in sight in order to try to get something. In cases where more than one person is responsible for a patient's injuries, we need to assign blame fairly. We need joint and several liability reform in our medical liability system.

We need to make sure that doctors can take care of their patients without fear that their advice will be used against them some day. It's hard to believe a system—you hear a lot about the doctor-patient relationship. It's an incredibly important relationship, in order to make sure we have a health care system that functions well. And yet imagine a system where docs can't share information amongst each other, much less talk to your patient, for fear that what they say will be used them in court one day.

The system is not balanced, if that's the case. The system is not fair. The system doesn't need to have a relationship with the doc and the patient for fear of what is said will be used by a lawyer to sue them. That's why we need these reforms, for the good of the country.

We got the bill passed out of the House, thanks to Jim and the members of the delegation here. And I want to thank you for your leadership and your vote. And the Senate didn't act on it, so we've got to start over. And I'm ready to start over.

And the time is getting worse. That's what people have got to understand up there in Washington—or over there in Washington—down there in Washington—whatever. [*Laughter*] Thought I was in Crawford for a minute. [*Laughter*]

And this is—I repeat, this is a national problem, and we just cannot allow a bunch of needless partisanship to prevent a good, solid solution from going forward. And let me say one other thing. This problem won't be solved by just throwing money at the problem. This problem will be solved by getting at the source of the problem, which are the frivolous lawsuits.

If you're looking for solutions in Pennsylvania, look at States which have done a good job of helping the patient out. California is one example. More than 25 years ago, they passed a law that caps damages from malpractice suits. And the law has worked.

Let me tell you a startling statistic. Reports from Philadelphia say that juries there have awarded more in malpractice damages than the entire State of California did over the last 3 years. That says two things: California's law is what people in your statehouse ought to look at, and you've got a problem in Pennsylvania.

There was a good news story in Mississippi. I went down there and—it wasn't

because of me, it was because the doctors and the citizens understand the cost of a trial system gone awry, and they got themselves a law. And they got a medical liability law. They put caps, real caps. Guess what happened? In some counties, the malpractice claims rose dramatically before the law came into effect. [*Laughter*] Now, what does that tell you about the system? It tells you the system is less about justice and more about something that looks like the lottery, is what it looks like to me. And with the plaintiffs bar getting as much as 40 percent of any verdict, sometimes there's only one winner in the lottery.

We need reform. You need reform in Pennsylvania, and we need reform all across America, and we need a law coming out of the United States Congress. It's a law that recognizes the centerpiece of good health care is to worry about your patient, the American people. It's a law that will recognize that an affordable and accessible health care system can best be had if we limit the caps—put caps on non-economic and punitive damages. That's what it understands.

Congress needs to act on this law. Congress needs to listen to the people and not make excuses as to why they can't get something done. I believe we'll get something out of the House. I believe we'll get us a good law out of the House, and then the Senate must not fail its responsibilities to the American people again.

And you can help. Every State's got them a couple of Senators—[*laughter*]—and they need to hear from you. I consider your two Senators allies, but they need to hear from you. Every State—people who are concerned in every State about whether or not they're going to have affordable health care or health care at all need to contact the people that represent them. See, democracy can work. Democracy makes a difference. When the people speak, the folks in Washington, DC, listen. And I'm here to ask you to join in this important cause, for the sake of people you care about, your loved ones and your neighbors and the people in your communities.

No, we've got a lot of problems facing America. We've got the responsibility to make the world more peaceful. We have the responsibility to make sure our homeland is secure. We've got the responsibility to make sure every child is educated. We have a responsibility to make sure our health care systems work. We've got a lot of problems. But I'm going to tell you something about this country. In my mind, there is no doubt that we won't solve these problems, because this is the greatest nation, full of the finest people, on the face of the Earth.

Thank you for coming. May God bless. Thank you all.

NOTE: The President spoke at 12 noon in the William J. Byron Recreation Center. In his remarks, he referred to Joseph M. McShane, S.J., president, University of Scranton; Pennsylvania State Representative John Perzel; and President Saddam Hussein of Iraq. The Office of the Press Secretary also released a Spanish language transcript of these remarks.